

Nothing ever goes exactly as planned and problems will arise, but remember the work will be over in a few weeks and you will have a much better house.

SETTLING DISPUTES

Sometimes, despite our best efforts, the owner and contractor cannot agree. In these cases, the contract requires that the dispute be settled through binding arbitration.

In this process, a panel will be selected to hear information from the homeowner and the contractor and make a decision which settles the difference between them.

WARRANTY

The contractor gives a one-year warranty on all work he performs, five years for roofs. If something goes wrong, call the contractor and arrange for a time when he can come by. If he does not respond, call the rehab specialist and explain your problem. Keep in mind that the contractor is not liable for work he did not do.

MAINTENANCE

It is your obligation to maintain your home after the job is complete. Such things as clogged sinks, frozen pipes, leaf filled gutters, and dirty furnace filters are your responsibility. If you have questions about home maintenance, your rehab specialist will be happy to answer them for you.

WHAT YOU CAN DO

Become involved in the process. It is your house - you know it best. Tell the rehab specialist about any hidden problems or special needs, such as where you need plugs for air conditioners or special appliances.

Make sure you understand the write-up and its limitations. Talk with your contractor and your rehab specialist as problems arise. If you wait until the job is completed, it may be too late.

Expect the job to go smoothly but keep your eyes open and don't be upset if problems arise. Most problems are easily solved if everyone involved communicates openly.

Having your house repaired can be irritating, tiring and traumatic. It will also be interesting, exciting and rewarding.



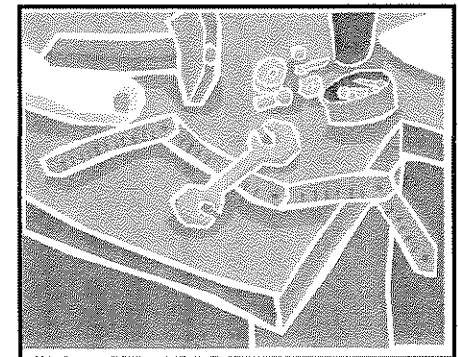
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A GUIDE TO THE HOUSING REHABILITATION CONSTRUCTION PROCESS



*Lexington-Fayette Urban
County Government*



Division of Grants & Special Programs

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A telecommunications device for the deaf (TDD)
is available by calling 258-3606.

PURPOSE

The purpose of this guidebook is to explain the housing rehabilitation (rehab) process and to provide information on the obligations of the homeowner, the contractor, and the staff of the Division of Grants & Special Programs.

ABOUT THE PROGRAM

The Housing Rehabilitation Program is designed to help homeowners bring their houses up to the standards of the housing code. This program uses a "no frill" approach designed to make your house safe, warm, dry and protected from the elements. We can help pay for a new roof, but not new rugs. Eligibility for the program is based on your income and family size. This program makes available money and technical assistance so you can hire a contractor to repair your home.

APPLICATION AND WRITE-UP

The first step is to call this office and request an application. A Preliminary Application will be mailed for you to complete and return. After we receive the application, your name is placed on the rehab waiting list. The length of this list varies with the number of applicants and can be up to a year or more long. After you reach the top of the list, a rehab specialist will contact you to arrange a time for an inspection and cost estimate of the work necessary to repair your house.

If it appears that your house is feasible (can be properly repaired for an amount

not exceeding the maximum allowed construction costs), a financial specialist will notify you for an appointment to fill out a formal application. We will then start gathering all the necessary financial information to determine your eligibility for the program. If any problems turn up which would make you ineligible, you will be notified. If you qualify, the rehab specialist will contact you for a second look at your home.

At this time, you will be asked to review the work write-up and approve it or point out necessary changes. It is important for you to understand and approve the write-up because only the repairs listed on this document will be done. Only minor and absolutely necessary changes may occur during construction.

SELECTING THE CONTRACTOR

The work on your house will be done by a private contractor. He will sign a contract with you to do the work listed in the work write-up for a specified amount. That contractor is selected by competitive bidding with the job going to the lowest reasonable bidder.

You may invite any contractors you wish to bid on your job, and you may reject the bid of any contractor as allowed by the rehab guidelines. However, the government's loan will not exceed the amount of the lowest qualified bidder.

This office has a list of all jobs out to bid which any contractor may see. We will arrange for an open house date so

contractors may meet you, review the list of repairs and visually inspect the job site. This office cannot recommend any contractor.

You need at least three acceptable bids. In most cases there will be five to ten contractors competing for your job.

CONSTRUCTION

Shortly after selecting the contractor, a "closing" will be scheduled. You, the contractor, the rehab specialist, and a financial specialist will be present to sign the loan and construction documents and discuss any questions. By law, there must be a 3-day waiting period before any work is done to give you time to cancel if you wish.

You must not allow the contractor to begin until all the paperwork has been signed and the contractor has been given a written notice to proceed. The contractor has a certain number of days to finish your job after which he must pay a fine. Since most contractors work on several jobs at once, he probably won't work on your house every day. Work will be scheduled as workers and supplies become available.

Living in a house during construction is not a lot of fun. It will be dusty and noisy and your life will be quite different for a month or so. You should put away any valuables and breakables and be sure to tell your contractor of any special needs such as a freezer or fish tank which must not be unplugged or a favorite plant that must be protected.